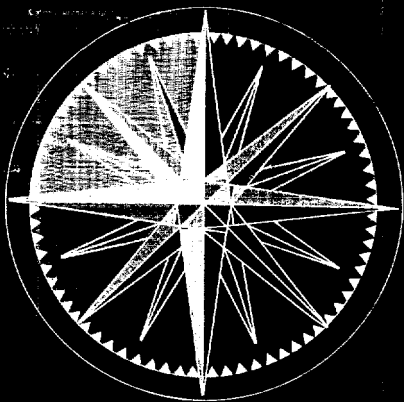


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11 September 1964

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WEEKLY SUMMARY

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CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE

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C O N T E N T S

(Information as of 1200 EDT, 10 September 1964)

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KHRUSHCHEV PRESSES FOR COMMUNIST PREPARATORY MEETING Khrushchev's recent remarks reflect Soviet determination to convene a preparatory meeting this December. Moscow is trying to demonstrate that Peiping has excluded itself from the Communist movement.	2
SOVIETS EDGE FORWARD IN CREDIT FIELD Other governments are likely to follow suit now that London has broken the five-year credit line. Private financiers may be less eager, however, to tie up funds in long-term loans to the USSR.	3
UNREST AMONG HUNGARIAN MINORITY IN TRANSYLVANIA A re-emergence of traditional national problems as a significant factor in Eastern European politics may be presaged by Hungarian minority unrest in the Transylvania area of Rumania.	4
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KHANH MANEUVERS TO STABILIZE SOUTH VIETNAMESE REGIME The appointment of General Minh as chief of state is evidently another of Khanh's attempts to gain Buddhist support while he reduces the influence of the Dai Viet Party. There has still been no significant Viet Cong military reaction to Saigon's political difficulties.	5
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The ruling Social Democratic Party is expected to retain control of the government even without an absolute majority, since the Big Three of the opposition are likely to loose popular votes to a newly organized party, the Christian Democratic Assembly.

WESTERN HEMISPHERE**THE CHILEAN PRESIDENTIAL ELECTION**

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President-elect Eduardo Frei received the largest election plurality in more than 50 years but his impressive victory has probably shaken the Communists' belief in a peaceful road to power and may have strengthened the splinter groups sympathetic to Peiping's doctrines.

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On Venezuela, Bolivia, and Haiti

UNITED NATIONS**UNITED NATIONS FINANCING**

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The smaller nations are trying to come up with a compromise which will satisfy US insistence that the UN charter be upheld regarding dues payments and also give Russia a way to have part of its dues written off.

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The Communist World

NEW STATEMENTS ON SOVIET MILITARY DOCTRINE

The so-called "modernist or "Khrushchevian" view that a future general nuclear war will be a short, decisively destructive exchange of rocket-nuclear weapons with little or no need for conventional forces is apparently gaining round in a continuing Soviet debate on military doctrine. Marshal Sokolovskiy and Major General Cherednichenko discuss the idea in a two-part article, "Military Art at a New Stage," in Red Star of 25 and 28 August.

Sokolovskiy and Cherednichenko had previously expressed a "moderate" viewpoint, as author and contributor, respectively, in the 1962 and 1963 editions of the book Military Strategy. They saw a general nuclear war being waged primarily by massive nuclear strikes, but with a secondary and essentially strategic role for large ground forces. The latter would be needed to achieve the final victory by smashing the surviving enemy armed forces, liquidating their bases, and occupying strategically important enemy territory.

The recent article, however, leaves little, if any, role for conventional forces in a general nuclear war:

"The initial period of the war, in the course of which both sides will use their main stocks of nuclear weapons stockpiled in peacetime, will have decisive importance in the course and outcome of the entire war. It is completely possible that the war

will even be ended in that period, since after the exchange of nuclear strikes it is unlikely that further military operations will be needed.

"The Strategic Rocket Force can independently accomplish the missions in a nuclear war. It can deliver such a powerful strike against any area that the commitment of troops to that area will turn out to be unnecessary and even impossible.

"In a new world war, if the imperialists unleash it, time will have a decisive importance in the victory. Those missions which were accomplished in months and years in the past will be accomplished in the course of minutes, hours, or several days in a rocket-nuclear war. In our view, an indisputable conclusion follows from this: a thermonuclear war cannot be long. Therefore, in our opinion, it is necessary to prepare in the first place for a short war."

The article is also important in that while it relieves the conventional forces of any important mission in a general nuclear war, it appears to give these forces a new primary mission--fighting a relatively protracted non-nuclear local war against a formidable enemy.

"...one cannot exclude the possibility of the occurrence of a relatively protracted war, in which nuclear weapons will not be used (for example, a local war, which is capable of escalating

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into a world conflict). Therefore, one cannot neglect preparing also for a relatively protracted war."

The important question of how or where the Soviets would become involved in such a war is not answered in the discussion.

The article indicates that the debate on Soviet military doctrine initiated by Khrushchev in 1960 is continuing and that even this formulation may not be final. In the

introduction, the authors state that their observations on the content of military art and the essence of the revolutionary change in the methods of armed combat "may or may not coincide with the opinions and views expressed by other comrades." They also state that they assume that the military reader will treat their observations critically. In conclusion, the article notes that "it is essential to further elaborate the new military art, the art of waging a rocket-nuclear war."

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KHRUSHCHEV PRESSES FOR COMMUNIST PREPARATORY MEETING

Khrushchev's 7 September speech contained the clearest indications to date that he is trying to maneuver Peiping into a position which will enable the USSR to claim that the Chinese have excluded themselves from the Communist movement. In deference to foreign Communist opinion, Moscow has denied repeatedly that its motive in calling for "collective discussions" is to excommunicate the Chinese. It is concentrating instead on proving that Peiping's rejection of "principled party discussion" places sole responsibility on the Chinese for "giving the split a formal status."

This tactic was evident in Khrushchev's statement that those parties "which have agreed to take part" should proceed with the preparatory meeting in mid-December even though Peiping and pro-Chinese parties refuse to attend. He applied the same formula to the proposed conference of all parties next year, saying the "only correct solution" is for those parties which are "defending the unity" of the Communist movement to discuss questions ripe for solution.

Khrushchev's confidence in this course of action probably was strengthened by the agreement of the important Italian party to attend the December meeting.

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The Soviets probably hope the Italian agreement to attend the December gathering will make it more difficult for the Rumanians to abstain.

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SOVIETS EDGE FORWARD IN CREDIT FIELD

Substantial numbers of negotiations to supply the USSR with industrial equipment on terms exceeding the usual five-year medium term credits are expected to follow London's approval of the first 15-year government-guaranteed credit to the USSR. The magnitude of new deals may, however, be limited; the number of eager sellers in the West probably exceeds the number of eager financiers. Furthermore, while other Western governments feel under pressure to follow the British lead, they are clearly unenthusiastic.

The Japanese Government may be the first to follow the British pattern. Last week, when it provided the usual five-year guarantee on the sale of a \$9-million fertilizer plant, Japan permitted private financing for an additional three-year period and said it would extend its guarantee should the five-year credit line be broken.

Belgium probably will adopt the French position, and the West German Government's Hermes Credit Insurance Company may extend its medium-term credit-guarantee system to cover sales to the USSR.

The credit "break" represents a success in the Soviet program, but does not necessarily open the

flood gates of credit for the \$3 billion worth of Western chemical equipment and other machinery and plants the USSR is estimated to need by 1970. It is likely that other governments will also limit the availability of financing as Britain did when it restricted its long-term credit guarantees to the USSR to \$280 million. The Soviets must compete with long-term credit demands from other bloc countries and non-Communist underdeveloped countries. Furthermore, some governments, already faced with inflation problems, may be reluctant to exacerbate them by approving large quantities of new long-term credit.

Even those Western governments which are pushing exports will probably not wish to see too large sums committed to long-term loans which, over a period of time, will finance fewer exports than loans made for shorter periods. Traders have observed the USSR's unwillingness or inability to step up more than moderately its exports to Western industrial countries and may doubt its ability to acquire enough hard currency to buy what it needs and to repay long-term credits.

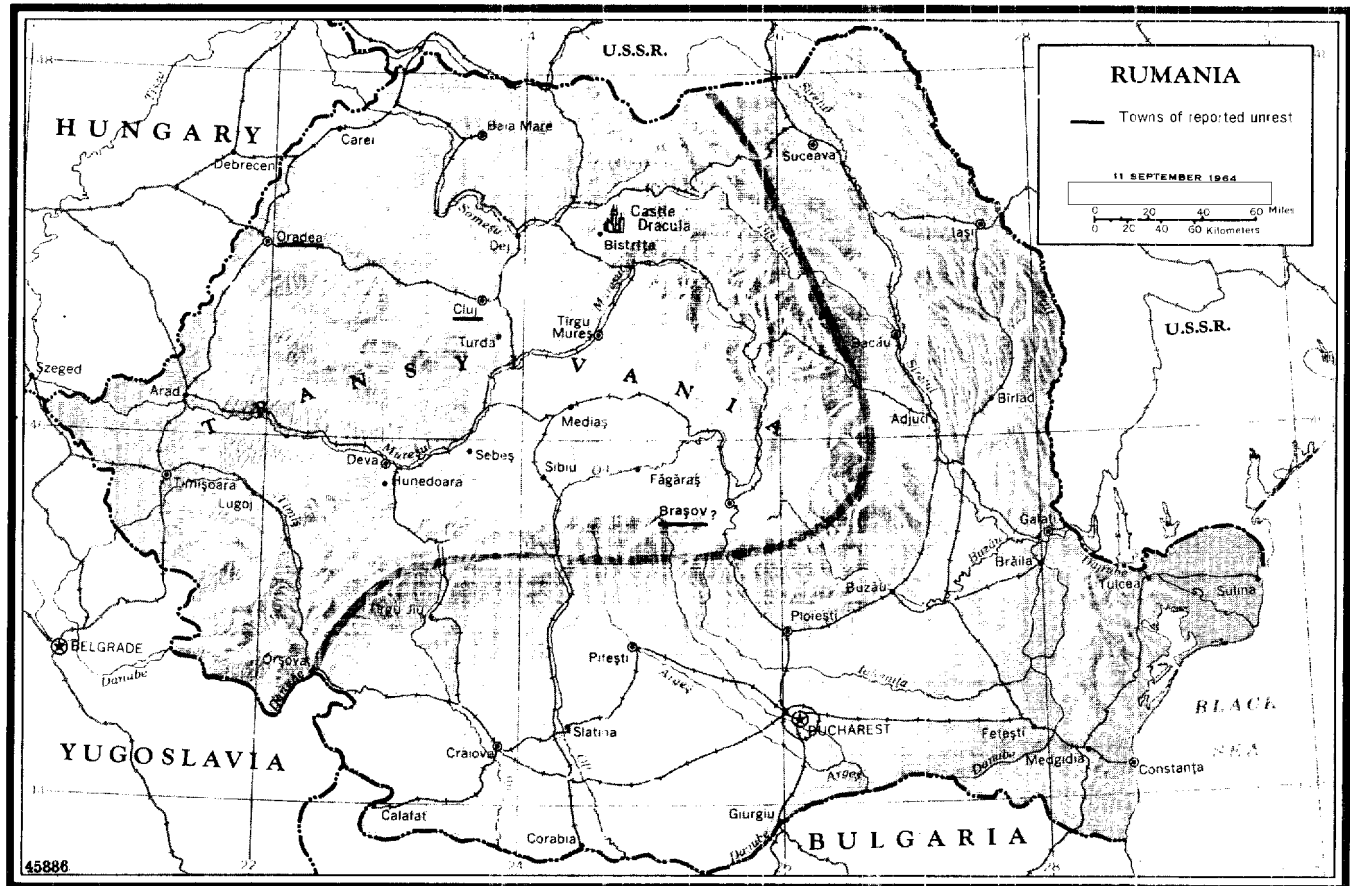
For its part, Moscow must weigh its need and desire for Western equipment against the cost of long-term credit. Interest charges will add more than a third to the price of the equipment it has just bought from the UK.

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The Communist World

UNREST AMONG HUNGARIAN MINORITY IN TRANSYLVANIA

In the present atmosphere of increasing independence, if not friction, between Moscow and the Eastern European states and among the satellites themselves, traditional national problems may again become a significant factor in Eastern European politics. The million and a half ethnic Hungarian minority residing in Rumanian Transylvania provides an interesting example. US diplomats have confirmed that Hungarians in several western Transylvanian towns staged riots and demonstrations during the past three months. There is some evidence that Budapest, which tacitly covets Transylvania, has helped to stir the unrest.

Rumanian-Hungarian relations have long been marred by rivalry for the control of Transylvania. Hungarian rule began with the Magyar conquest of the great Transylvanian plain in the 11th Century. The Magyars were--and still are--an individualistic and independent people who look down on others in the region, especially the Rumanians, who make up the bulk of the peasantry.

Following World War I the Treaty of Trianon (1920) awarded Transylvania to Rumania, thereby increasing the natural hostility of the Hungarian minority for Rumanians. The desire for reunion with Hungary was stimulated and encouraged by Hitler's contempt for the World War I peace treaties. Although Hitler returned northern Transylvania to Hungary at the beginning of the war, the allies subsequently again made northern Transylvania a part of

Rumania in the general boundary settlements.

Transylvania's rich natural resources contribute significantly to Rumania's economic stability, its exports to the West and its confidence in initiating an independent course in Soviet bloc affairs. Transylvania has a population of approximately 6.6 million, including --if literary tradition be an index-- an unknown number of werewolves who may still be lamenting the destruction of their revered leader, Count Dracula.

Since 1956, Rumania has followed a policy of assimilation. However, Bucharest has had only limited success in its efforts to make the Hungarians learn Rumanian, to reduce Hungarian cultural institutions, to place Rumanians in positions of authority in Transylvania, and to assign Hungarian intellectuals to posts outside Transylvania.

The recent antiregime incidents may, in part, have stemmed from Rumania's own recent emphasis on nationalism.

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Asia-Africa

KHANH MANEUVERS TO STABILIZE SOUTH VIETNAMESE REGIME

General Khanh continues to seek a political formula to shore up his regime. On 8 September, the ruling triumvirate of Generals Khanh, Minh, and Khiem named Minh the nominal head of state, a position similar to that which he occupied in the months after the overthrow of the Diem regime. In addition to carrying out the ceremonial functions of the office and promulgating governmental decrees--these must still be countersigned by Khanh--Minh is to convene a national council by the end of September. This council is to decide on a future provisional government.

Minh is popular with the Buddhists, and this gesture to him is another of Khanh's moves to try to stabilize the government and protect his own position. Khanh has also taken over the post of defense minister from General Khiem, who nevertheless remains in the triumvirate. Khiem has since expressed qualified support of Khanh for the present and denied association with any Dai Viet plotting.

Khanh considers the Dai Viet party as his principal foe. He has exiled to Hong Kong the leading civilian Dai Viet member of his government, Nguyen Ton Hoan, and has reshuffled troop commanders in or near Saigon. A number of them are Dai Viet party members or sympathizers. Khanh has also replaced the military officers

in the sensitive posts of interior minister and mayor of Saigon with civilian politicians

Khanh's efforts to gain Buddhist support may be futile. The Buddhist leaders' demands still suggest that their real objective is to dominate the government from behind the scenes. The Buddhist leadership maintains that they are anti-Communist and antineutralist, and that they merely want the government to eliminate local corruption and remnants of the Diem era.

A recent editorial, however, in an official Buddhist paper has appealed to the Communist National Liberation Front to stop the war, and at the same time has asked the government to be sparing of life in its operations.

There has still been no significant Communist military reaction to the current political unrest. The level of Viet Cong activity rose only slightly during the week. There were only two large-scale actions by the Viet Cong, widely separated and largely unsuccessful. In the course of one of these actions, close to the Cambodian frontier, a MIG-15 jet fighter--presumably Cambodian--overflowed Vietnamese territory while Cambodian ground elements appear to have supported the Viet Cong.

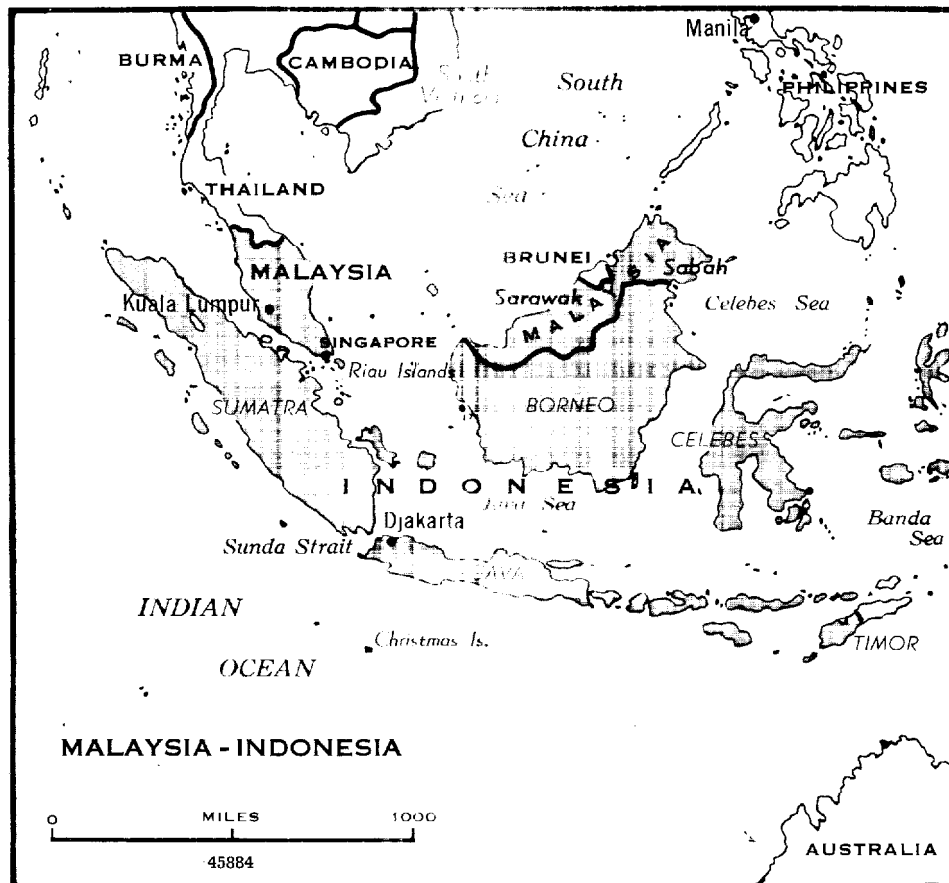
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Asia-Africa

NEW INDONESIAN MOVES AGAINST MALAYSIA

Indonesia has again stepped up its anti-Malaysia campaign. On 2 September, 40 Indonesian troops were air-dropped into peninsular Malaysia. Djakarta also announced that foreign ships transiting the Sunda Strait must receive prior approval from the Indonesian Foreign Ministry. The approval requirement apparently was precipitated by the transit, on 28 August, of the British aircraft carrier HMS Victorious and two destroyers en route to Christmas Island. Indonesia has warned that it will try to prevent further unauthorized movement through the strait.

Indonesian amphibious landings on the southwest coast of peninsular Malaysia in mid-August have already raised Indonesian paramilitary operations to a more ambitious level. Of 105 persons landed then, 40 are still at large, and about 25 of the paratroopers are still unaccounted for.

In Singapore, renewed rioting in the Malay and Chinese communities appears to have been instigated by Djakarta. Last week 13 deaths were caused. Malay extremists, a number of

whom are Indonesian contacts, have continued to circulate inflammatory anti-Chinese propaganda leaflets as they did prior to the July riots.

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Britain seems determined to take a tougher line, and has promised Malaysia that it will take military action in the event of further Indonesian aggression against peninsular Malaysia.

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An incident could occur if the Victorious again attempts

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to pass through the Sunda Strait.

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AREA NOTE

India: New Delhi has again taken over administration of the southern state of Kerala, one of the centers of Indian Communist strength. The action followed quickly after the local Congress Party, afflicted with a new bout of factionalism, lost control of the state government on a no-confidence motion. The alternative to direct rule from New Delhi was a special state election which the Communists might well have won as they did in 1957.

A bitter "left-right" split this summer has probably already

sapped the Communists' vote-getting strength in Kerala. However, divisions on caste, communal, and personal lines weaken the non-Communists too. The key to the situation lies in the hands of the Christians, whose defection brought down the state government, and of the Muslims with whom both the Communists and the Congress hope to make a deal. The Congress will try to overcome some of its factional difficulties before next February's regular elections. The Communists could win even though their divisions are likely deeper.

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Asia-Africa

THE CYPRUS SITUATION

There was little unrest in Cyprus during the past week. The activity relating to the situation was primarily diplomatic and political.

The Cypriot Government announced that a delegation will leave this week for Moscow to discuss possible military and political aid. The mission will be led by Minister of Commerce Araouzos, rather than by Foreign Minister Kyprianou as originally announced. This change ostensibly was made to enable Kyprianou to go to New York for discussions about renewing the mandate which provides for the UN military operations in Cyprus. The mandate expires on 26 September. In fact, however, the Greek Government has exerted strong pressure on Makarios not to send Kyprianou to Moscow. He may still go after the UN meetings.

There appears to be general agreement that the UN mandate must be extended for three more months. President Makarios, however, may try to have the British contingent in the UN force replaced by Yugoslav troops. There is little chance that the mandate will be strengthened to permit the UN commander to use more forceful action to ensure compliance with the cease-fire.

The crisis over Turkish troop rotation on Cyprus--temporarily averted in late

August when Turkey postponed the action--may be resolved.

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Both Athens and Ankara have asked for a Security Council meeting to discuss Greek-Turkish relations. The Greek request refers to the "hostile" measures taken by Turkey, which culminated in the expulsion of Greek residents from Istanbul. The program is expected to be intensified when the Greek-Turkish Treaty of 1930 expires on 16 September. The Turks complain of "provocative military action" by Greece, such as stationing troops on demilitarized islands close to Turkey.

In Athens, there is concern that the Cyprus impasse is having monetary and fiscal repercussions which will soon seriously affect the entire Greek economy.

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On Cyprus, Makarios has stated that the disposition of the British military bases must be discussed before enosis to ensure that London cannot hand the bases over to NATO.

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Asia-Africa

TSHOMBE SUCCESS AT ADDIS ABABA CONFERENCE

The special Organization of African Unity (OAU) meeting in Addis Ababa on the Congo ended on 10 September with a considerable success for Premier Tshombé. Although, for various reasons, he and representatives of five other moderate governments abstained in the vote on the final resolution, the radical anti-Tshombé governments made much more substantial concessions than the Congolese premier and those who supported his stand.

The over-all result of the OAU meeting has strongly reinforced both Tshombé's personal position and the legitimacy of his government. Less than two months ago, the radicals had succeeded in barring Tshombé from the preliminaries to the OAU's summit meeting in Cairo. This week, however, they found themselves dealing with him as a legal equal and even witnessing numerous public gestures of approbation for him.

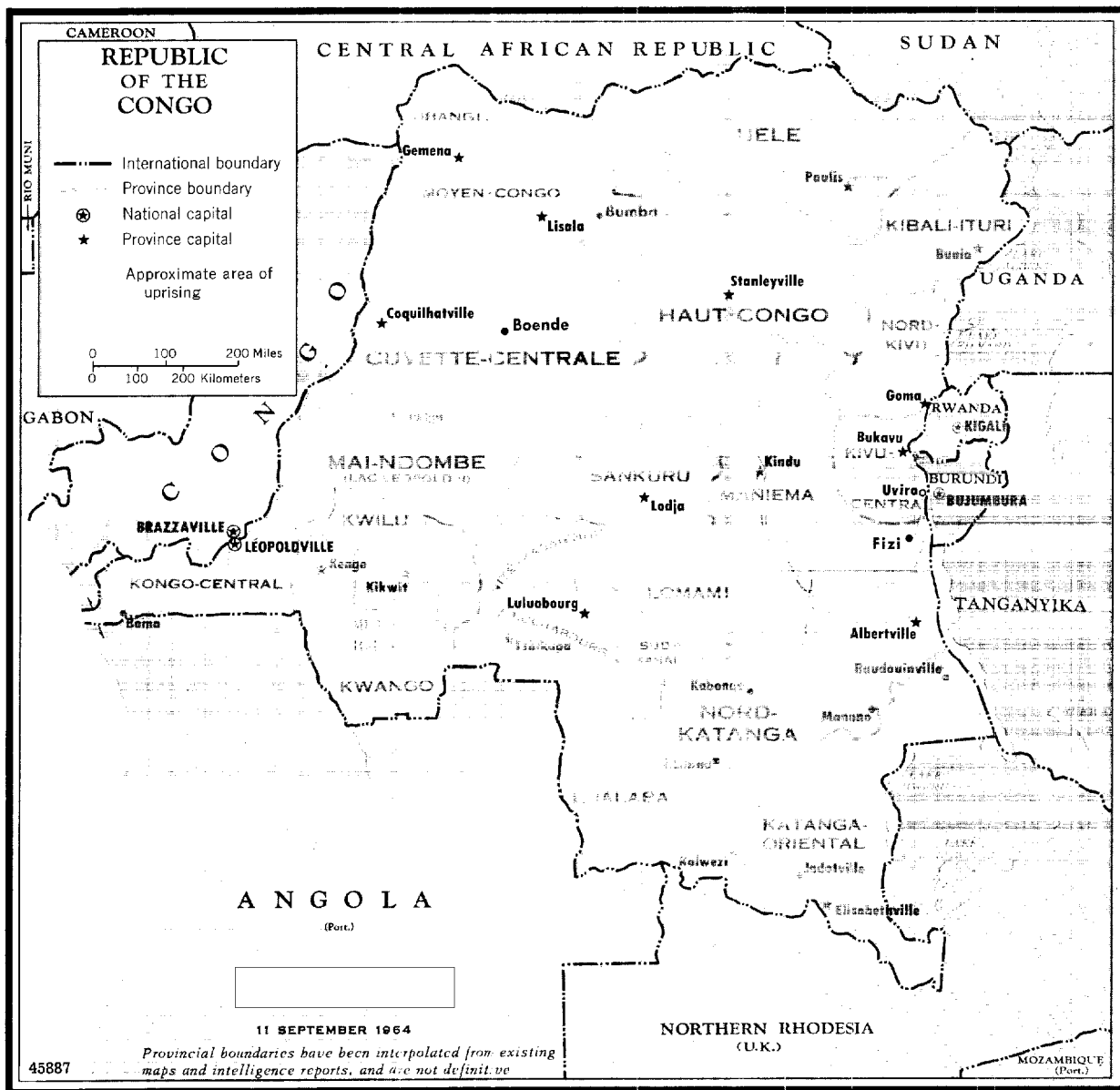
Tshombé's personal performance, shrewd and tactful throughout, played a major part in this outcome. He had important help, however, from representatives of Senegal, Ethiopia, Nigeria, Liberia, and Sierra Leone. In the end, the representatives' concern that their

action on the Congo issue would set a precedent for OAU intervention in the internal affairs of other members proved to be the overriding consideration.

Although the OAU resolution calls on "all powers" to "cease their interference" in the Congo and invites members to make individual diplomatic representations on this score, it really leaves Leopoldville free to make bilateral arrangements for assistance. Moreover, if the terms of reference for the ad hoc conciliation commission established by the conference are adhered to, the commission's scope for involvement in the Congo's internal problems will be limited. Although at least four of the nine countries represented on the commission will almost certainly continue to try to help the rebels politically, the Ethiopians and commission chairman Kenyatta of Kenya can probably be counted on to block any drastic action.

Tshombé failed to gain a positive OAU authorization for African troops or police to help Leopoldville. He also accepted a potentially troublesome commitment to expel mercenaries "of whatever origin." While the requirement for compliance "as soon as possible" provides a

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loophole, the almost universal revulsion among Africans against the mercenaries will strengthen the radicals' agitation.

Rebel military pressures continue in Coquilhatville area, but Leopoldville is finally taking measures to relieve the situation. Boende has been reinforced, and air strikes have been carried out against the rebels in this area. A small mercenary force has been sent to Gemena and Coquilhatville and assigned the task of retaking Lisala.

In the east, Bukavu remains calm, but rebel pressure to the north continues strong, and the rebels may move south toward Goma. Government forces, however, are slowly moving up from Luluabourg toward Lodja in Sankuru Province, while another government column is edging north from Albertville toward Fizi and Uvira.

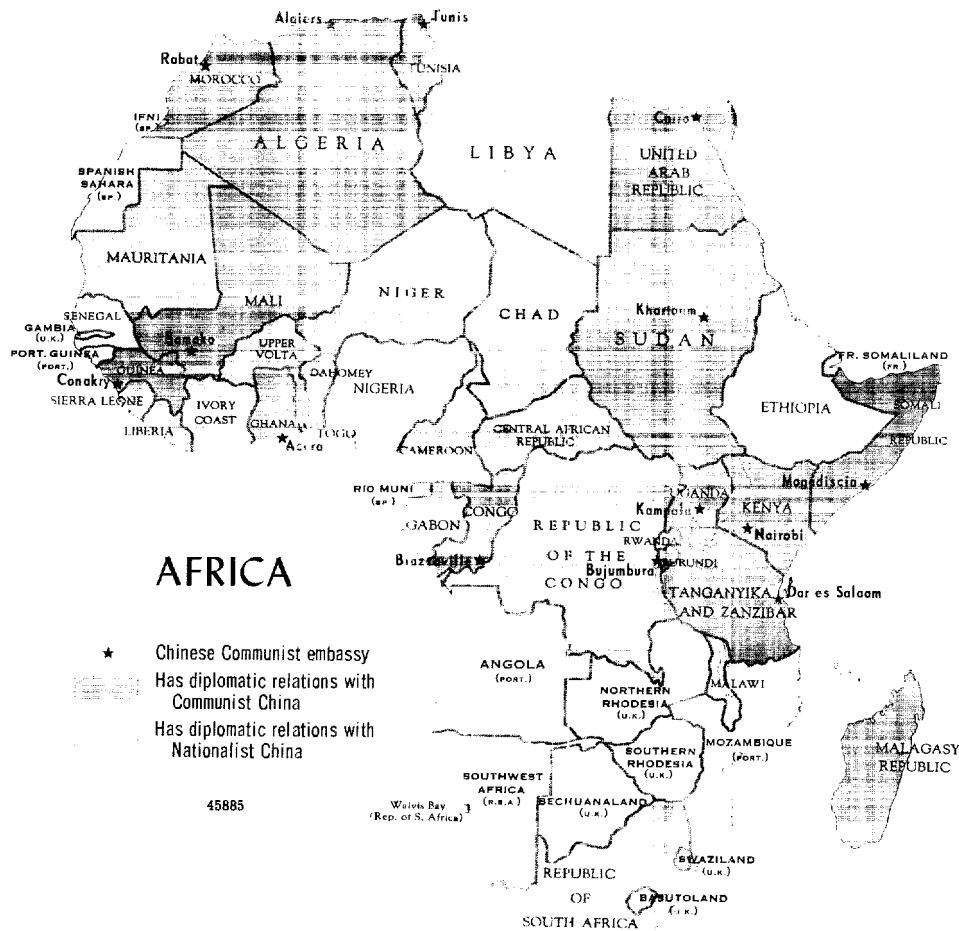
On 6 September, rebel leaders announced the formation

in Stanleyville of a "Congo People's Republic." Committee of National Liberation (CNL) leader Christophe Gbenye was named president and premier, and CNL leader Gaston Soumialot, minister of national defense. The announcement evidently was timed to enhance the rebels' status during the OAU meeting. It is likely, however, to produce more friction and infighting among rebel leaders. Gbenye is disliked and distrusted by many of the CNL personalities and factions, and other leaders not named to the government may cause trouble. The rebel regime, moreover, has denounced leftist Antoine Gizenga and is touting Gbenye as the new "spiritual" heir of the late Patrice Lumumba, a position long claimed by Gizenga. Accounts now filtering out regarding the regimes in the various towns taken by the rebels--Baudouinville, Albertville, Stanleyville--indicate that there is no effective administration, and that the rebel leaders are incapable of controlling their followers.

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Asia-Africa

NEW CHINESE COMMUNIST GAINS IN AFRICA

Communist China's stepped-up efforts to expand its influence and presence into moderate states of West and Central Africa are meeting with some success. On 7 September, Senegal severed relations with the Chinese Nationalists, and some of the other moderate states are showing increasing signs of interest at least in commercial and other nondiplomatic ties with Peiping.

Dakar's break with Taiwan, which has not yet been publicized in Senegal, appears to have been initiated by Senegalese Foreign Minister Thiam with the reluctant acquiescence of moderate President Senghor. It was preceded by the expulsion on 1 September of the resident Chinese Nationalist chargé. Chinese Communist NCNA representatives in Dakar may have had a hand in this.

The Senegalese action probably does not presage an immediate wholesale switch to Peiping by other moderate French-speaking African states which still maintain ties with Taiwan. It seems certain, however, to give new impetus to existing forces within those states favoring such a change.

Peiping will probably seek to encourage such a trend by some new initiative. A small Chinese Communist mission headed by a vice

minister of foreign trade, Lu Hsueh-chang, has been traveling in the west and central African area since late July. After a two-week stay in radical Mali--Peiping's most promising African foothold--the Chinese went on to Niger and Nigeria.

Peiping's troupe has received a cordial reception in several African capitals, notably in Lagos. The Nigerian Government, which does not maintain formal relations with either China although it claims to recognize both, gave the Chinese full publicity in contrast to low-keyed treatment last month of a Nationalist mission. Although there is no firm evidence that the Nigerians plan to establish diplomatic relations with Peiping soon, a high official recently said that such ties are under "serious consideration." Peiping is currently adopting a soft-sell approach to the African moderates. Traveling representatives' protestations of friendship are backed up by concrete good-will gestures. At home, the Chinese have the welcome mat out for visiting Africans. They recently played host to a "friendship mission" from the Central African Republic, the first "official" delegation sent to Communist China by any of the moderate French-speaking African countries.

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Asia-Africa

MALAWI'S FIRST CABINET CRISIS

A cabinet revolt has jolted Prime Minister Banda's virtual one-man rule in the former British protectorate of Nyasaland--called Malawi since it became independent two months ago. Although six ministers, including all the influential ones, have either been dismissed or resigned, Banda this week took the fight to the Malawi parliament and received a unanimous vote of confidence. The revolt protests Banda's "high-handed" administration, and also his close ties with Portuguese Mozambique--anathema to African nationalist sentiment.

The crisis basically reflects the growing frustration of aspiring politicians whom Banda has kept on a close leash. In addition to being prime minister, he has held numerous portfolios, and has treated the other cabinet ministers with scant respect, generally ignoring their advice.

Banda retains strong mass support, whereas few of the cabinet members have an independent following. In his speech to the national assembly, Banda accused the ministers of disloyalty, scheming to take over the government, and of accepting money from the Chinese Communist ambassador in Dar es Salaam. The latter charge is unconfirmed, although several ministers have recently been in Tanganyika. An agreement between Banda and the cabinet

worked out last week--but subsequently repudiated--called for an invitation to Moscow and Peiping to send missions to Malawi.

Banda is pressing the attack, apparently to force a total showdown. He has asked parliament to require all party members to pledge allegiance to the party, to the prime minister, and to the prime minister's internal and external policies. Banda has taken security precautions, but the loyalty of police and army units is untested.

If Banda comes out on top--as he is at the moment--his personal rule will probably be tighter than ever, and his foreign policy will continue to stress moderation and ties with the West--including Portugal, whose cooperation is essential for Malawi's economy. Such policies will keep Banda in hot water with African nationalists. They see Malawi as a dagger pointed at Mozambique and as an instrument for eventually overthrowing Portuguese rule there.

The cabinet rebels are not likely to accept their defeat and will probably attempt to stir up new opposition. Over the longer term, they may well challenge Banda more seriously unless he can continue to rely on his security forces and on economic support from the West.

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Europe

SWEDISH NATIONAL ELECTIONS

The Swedish Social Democrats are expected to retain control of the government even if they fail to win an absolute majority in the 20 September elections for the Lower House of the Riksdag. The Socialists have slipped in popularity polls, but the opposition is divided and may be weakened more by the appearance of the new Christian Democratic Assembly (KDS) party. No change in Sweden's foreign and defense policies is in prospect after the elections; the country's basic policy of neutrality is not even at issue.

The Socialists have ruled Sweden alone or in coalition for 31 years. In 1960, with 114 seats, they were three short of a majority in the Lower House, but were able to continue their government under Prime Minister Tage Erlander, who has held this position since 1946. The Communists in 1960 won 5 seats; the remaining 113 seats were divided among the Big Three of the opposition--the Liberals, Conservatives, and the Center Party.

A shift of only 3,800 votes out of more than four million cast would have given the Big Three a majority in 1960. On the other side, the Social Democrats could have had a majority with only 7,000 more votes.

The opposition's Big Three, however, have an added handicap this year in trying for a majority. In protest against what it calls the growing secularization of the Swedish community, the Christian Democratic Assembly party has been formed by the 80-year-old Pastor Lewi Pethrus of the Pentecost Movement. It will run in over half

of the country's 28 constituencies and seems likely to draw strength from the Big Three even if it fails to win a seat itself.

In any attempt to overthrow the Social Democrats, the Big Three face not only the problem of increasing their vote, but also of reconciling differences among themselves. The Center Party (Agrarian) has always found it difficult to get along with the industrialist-oriented Conservative Party, whose leader, Gunnar Heckscher, has lately made the gulf wider. Heckscher has been campaigning against the government's use of large pension funds for investment, charging that in this way the Swedish capital market is being nationalized. The Center and Liberal parties have publicly dissociated themselves from Heckscher's position.

In the powerful southern province of Skane, however, the local organizations of the Big Three have united for the election under the banner of the Citizens Rally. The national Conservatives have repudiated this alliance and charge that, far from uniting the opposition, the Skane merger divides it further by creating a fourth party.

In the campaign, the non-Socialists are stressing the housing shortage and high taxation and the Social Democrats are touting the country's high level of prosperity and its elaborate social security system. Erlander may have the key to victory in his party's proclamation that "every Swede knows that the Social Democrats are for security for all from the cradle to the coffin, and are prepared to fight for it."

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Western Hemisphere

THE CHILEAN PRESIDENTIAL ELECTION

Christian Democrat Eduardo Frei last week became the first Chilean president-elect in almost 50 years to amass such a large majority--56 percent or more of the popular vote--in a regularly scheduled election. His landslide victory has implications as sweeping as his margin over Communist-Socialist Popular Action Front (FRAP) candidate Salvador Allende.

The Communist (PCCh) thesis of the peaceful route to power (via pacifica) received a serious setback which may increase the strength of Chinese-line splinter groups. Allende carried only the traditional Socialist strongholds in the far north and the far south, and the province of Concepcion. Nevertheless, he nearly tripled his 1958 vote, increased his percentage of the electorate from 29 to 39, and confirmed that Chilean Marxism remains a force to be reckoned with. PCCh chairman Senator Corvalan said that a "stage" in the Marxist movement has ended but he insisted that the movement itself is irreversible in Chile.

Communist-Socialist inspired violence, a possibility if Allende lost, failed to materialize because of the great margin of his defeat, the preparation of the authorities, and Allende's responsible advice

to his irate followers that they must know how to lose, as well as to win.

President-elect Frei, in his first press conference, said that he will institute a socio-economic reorganization such as Social Democrats have implemented in Europe. He promised a "true proletarian solution" for Chile's problems, but with "higher spiritual and moral implications."

Frei clearly is relying upon his overwhelming popular mandate to press Congress, in which he will initially have little support, to cooperate with his program. He threatened that in the March congressional elections the people will repudiate those legislators who stand in his way.

With the United States, Frei expects "the best possible" relations. He stated that to hate the US is "suicidal strategically," but he cautioned that US-Chilean relations must be on a basis of mutual respect. Concerning the OAS and its measures against Cuba, Frei said that he admires the consistency of Mexico's attitude, and he believes that "after the US elections" it may be possible to "look for a peaceful solution to the Cuban problem within a framework of nonintervention and self-determination."

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Western Hemisphere

AREA NOTES

Venezuela: Leaders of the Venezuelan Communist Party (PCV) and the Armed Forces of National Liberation (FALN) have decided to begin a series of guerrilla and terrorist attacks soon according to a usually reliable source. FALN activity, which has continued at a reduced rate since President Raul Leoni's inauguration, will soon probably take on a more intense and spectacular character. This new course of action had originally been scheduled for October. Both the progress recently made by Leoni toward the formation of a coalition government, however, and the success of recent government antiguerrilla operations have made FALN leaders feel that some show of strength is necessary now to re-establish the

PCV's political importance, obtain publicity, and improve the morale of its members. All available FALN units are to be brought into this new offensive, and the hit-and-run targets being considered are in the states of Zulia and Miranda and the Caracas area. The political impact of these attacks rather than the tactical importance of the targets will be stressed. The FALN will claim credit for each action as it occurs. The PCV hopes to create a state of national alarm by this campaign. It would seek to exploit this by again calling attention to its readiness to negotiate with the government to end the violence in exchange for a general amnesty for political prisoners. [REDACTED]

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Bolivia: Rightist guerrilla activity in northeastern Santa Cruz Department has diminished, but a general state of lawlessness continues. Military units sent to the area last month on a mop-up campaign are cutting the guerril-

las' supply lines to Brazil by posting troops along the border and on trails leading to it. There is no evidence that the guerrillas are receiving reinforcements from inside or outside the country. [REDACTED]

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Haiti: Rebel activity in southeastern Haiti may have temporarily ended. The Dominican Government has announced that 22 Haitian rebels crossed its border on 2 September. They have reportedly been temporarily interned.

The rebels in the southwestern part of the country apparently are still harassing government forces.

The Duvalier regime is intensifying its weapons search abroad, [REDACTED]

Barring any important new addition to rebel forces in men and supplies, the outlook is for the continuance of the present indecisive situation. It can be presumed, however, that there will be further incursions by Haitians [REDACTED]

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United Nations

UN FINANCING

Backstage maneuvering to avoid a US-USSR confrontation over the possible loss of voting rights for the USSR continues at the UN. The crux of the matter is the legal interpretation of Article 19--whether a UN member automatically loses its vote in the General Assembly when it is more than two years behind in its dues.

The USSR is now in this predicament. It has refused to pay its assessments for the Congo (ONUC) and Palestine (UNEF) peace-keeping operations on the grounds that these operations were not properly authorized. Moscow has threatened to leave the UN if deprived of its vote.

Most UN members, especially the less-developed countries, cannot envisage an effective UN without the USSR. They are desperately searching for a compromise which could save Moscow's face and yet satisfy the US demand that the Charter be upheld.

Norway is spearheading the latest compromise proposal. The chief Norwegian delegate told the US mission recently that Oslo was convinced the USSR would not pay its Congo assessments "under any conditions" and that the size of the arrears (about \$60 million) presented a real hard-currency problem for the USSR. The Norwegian scheme would have the USSR pay at least its Palestine (UNEF) obligations, thus remov-

ing itself for a short time from the reach of Article 19. Oslo apparently hopes Moscow will pay because the USSR voted for the first stage of the UNEF operation in the Security Council.

Moscow's Congo arrears on the other hand would be "papered over" by juggling accounts which, in effect, would have the other members picking up the Soviet tab. As part of the scheme, the countries to whom the UN owes money for services in the Congo would forgo payment. Although the Norwegian proposal is tentative, it indicates the lengths to which the smaller countries are willing to go in their efforts to avoid a "UN crisis."

During his visit to Moscow in July, Secretary General Thant pleaded on television for payment of the Soviet debt. Khrushchev rejected his plea categorically and Thant left, apparently convinced that Moscow would leave the UN if deprived of its vote. Since then Thant has refused to commit himself on the interpretation of Article 19.

The issue will come up on 10 November when the 19th General Assembly convenes, unless some acceptable compromise is worked out in the meantime. Without agreement, no business could be conducted--not even the election of the assembly president.

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